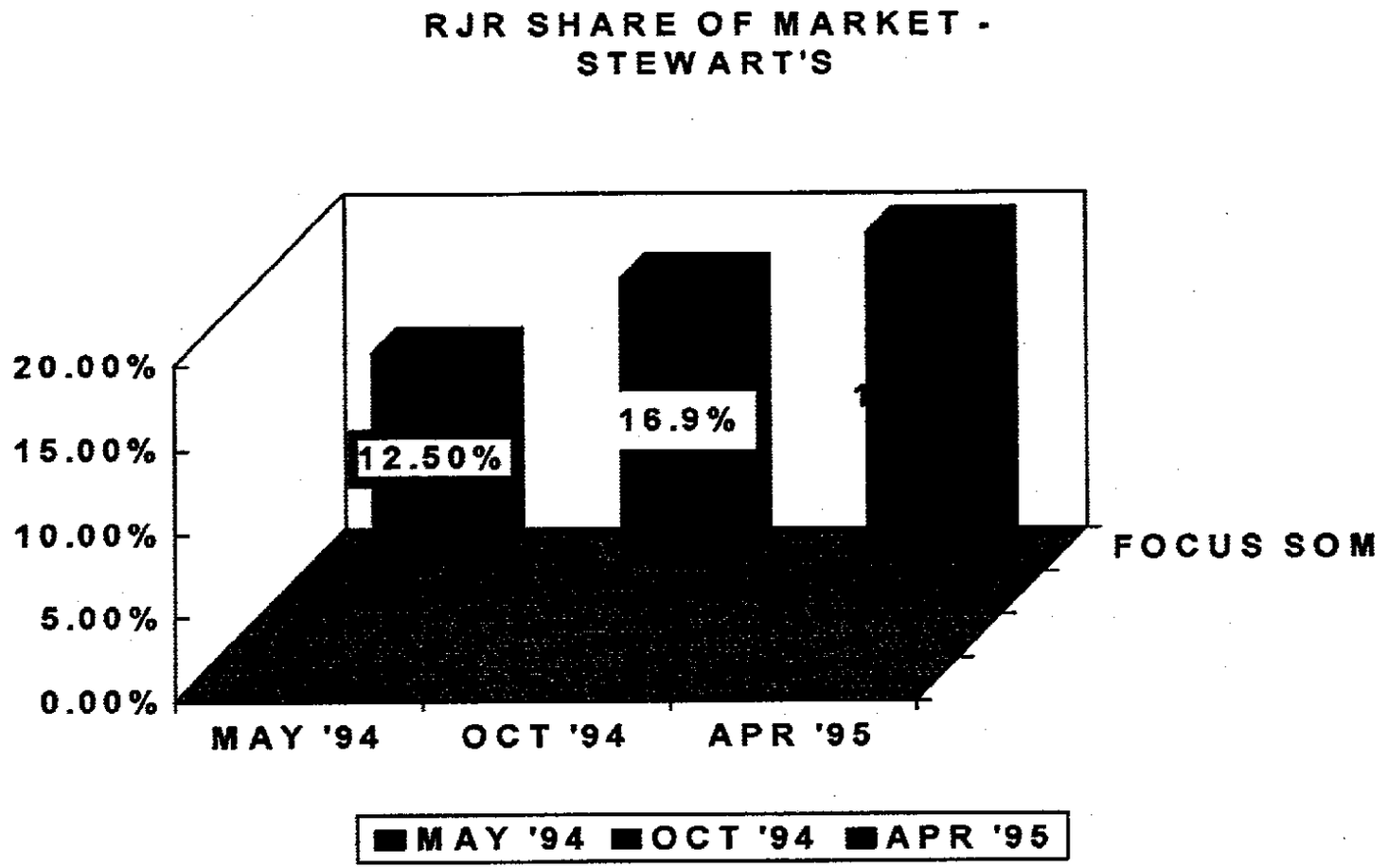
STEWART'S MARKETING

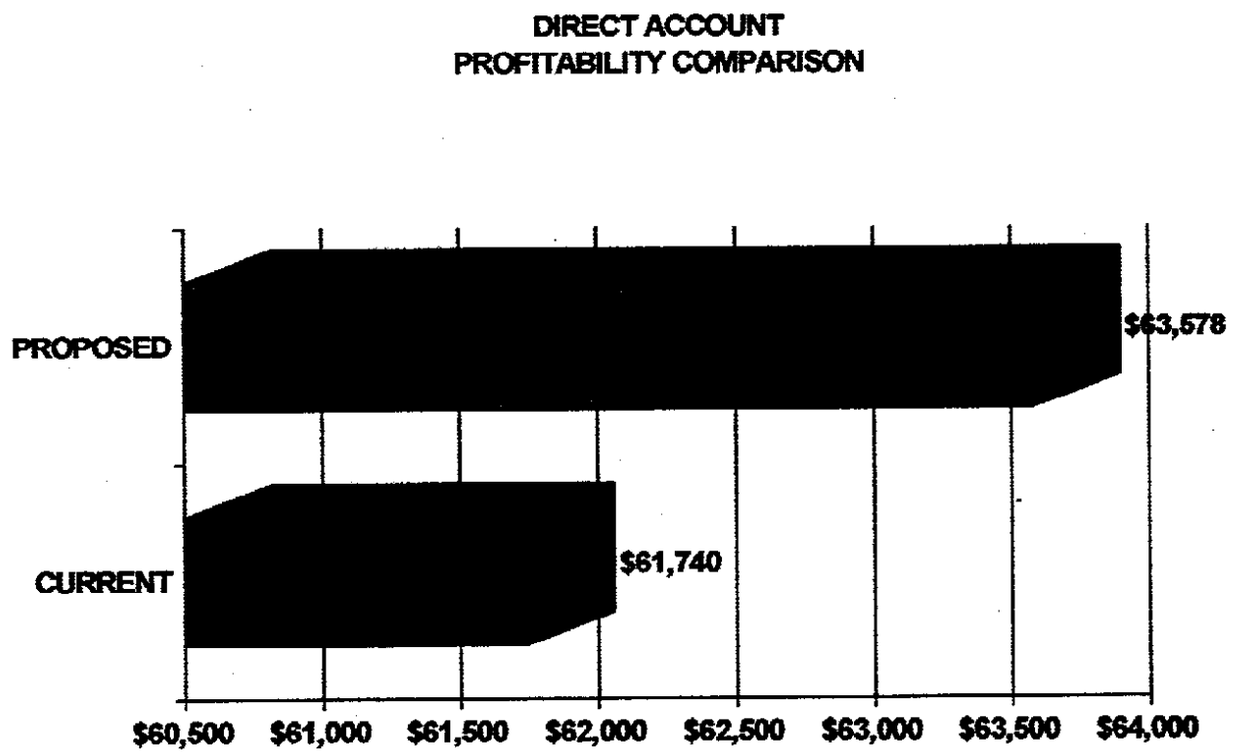


518560959

Source: https://www.industrydocuments.ucsf.edu/docs/pkhn0000

SCENARIO "A"

STEWART'S INCREASES RJR SHARE BY1.0%

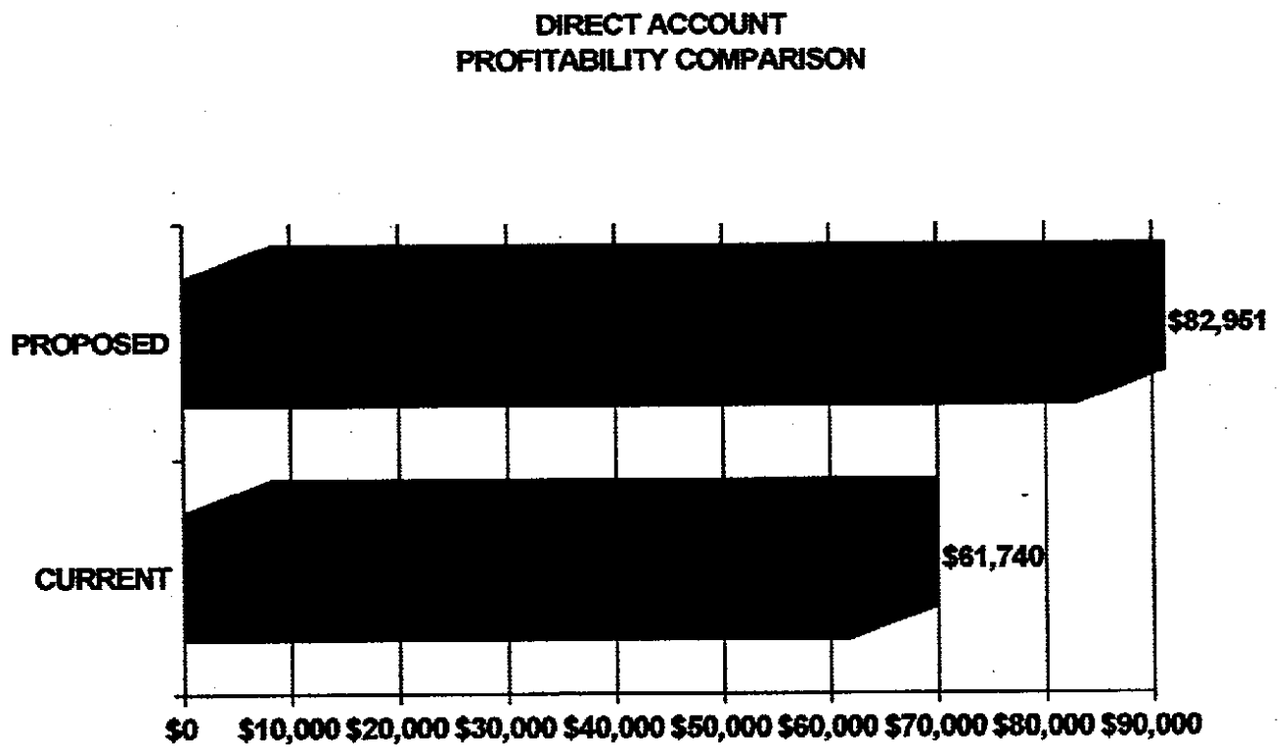


51856 0960

Source: https://www.industrydocuments.ucsf.edu/docs/pkhn0000

SCENARIO "B"

STEWART'S CONVERTS TO RJR PRIVATE LABEL

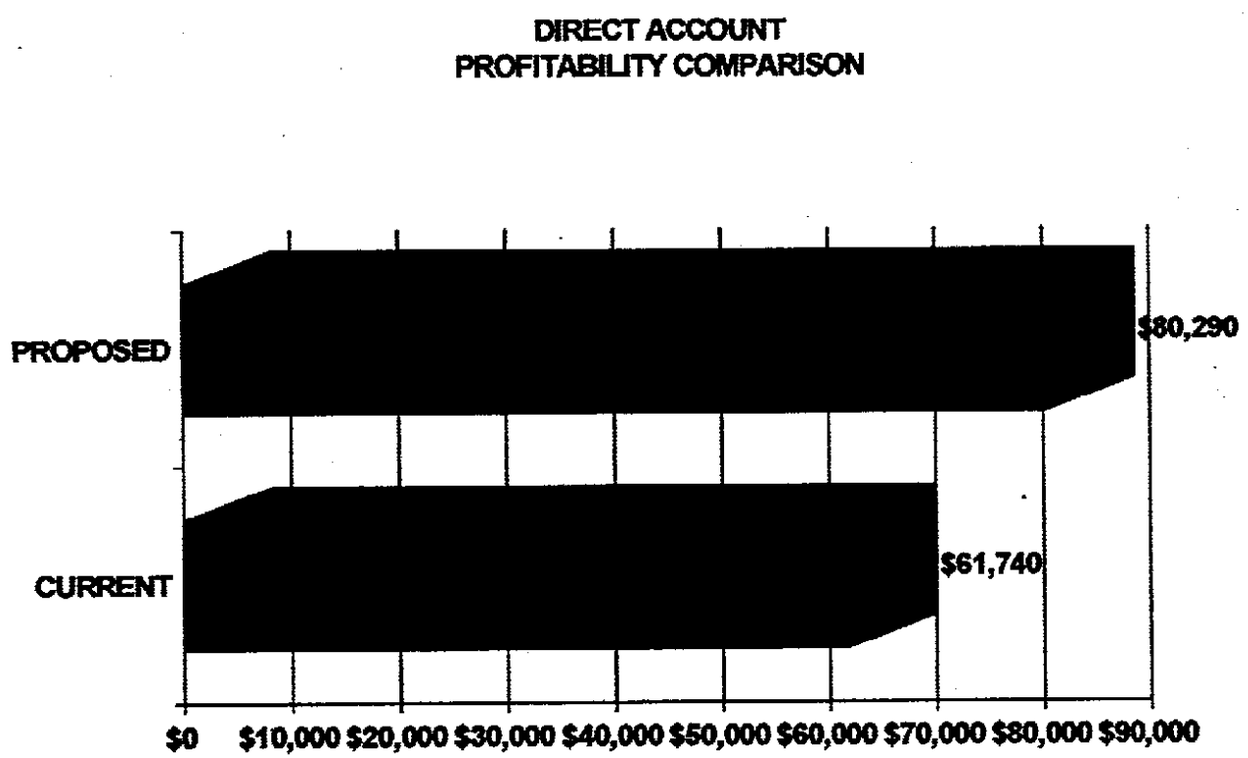


51856 0961

Source: https://www.industrydocuments.ucsf.edu/docs/pkhn0000

SCENARIO "C"

STEWART'S CONVERTS TO PLAN A

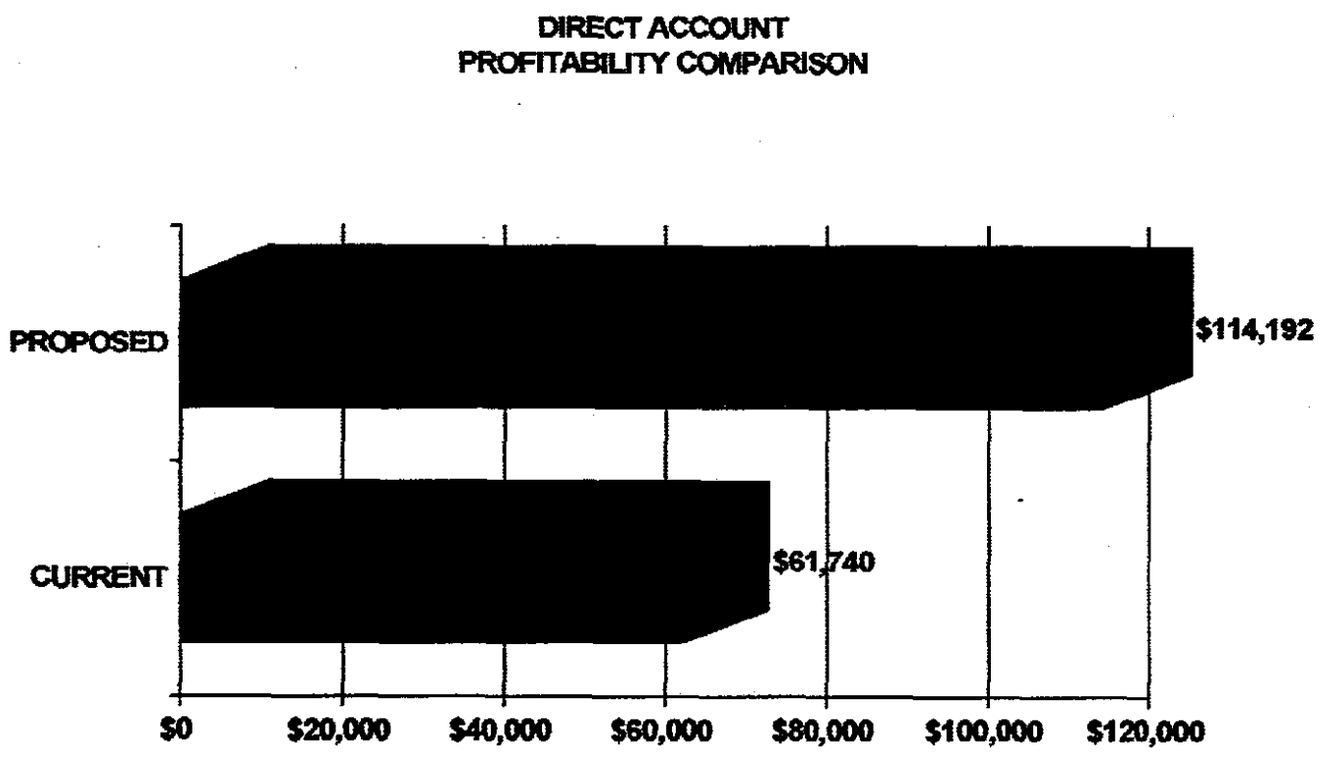


51856 0962

Source: https://www.industrydocuments.ucsf.edu/docs/pkhn0000

SCENARIO "D"

STEWART'S CONVERTS TO PLAN A + ADD RJR P/L

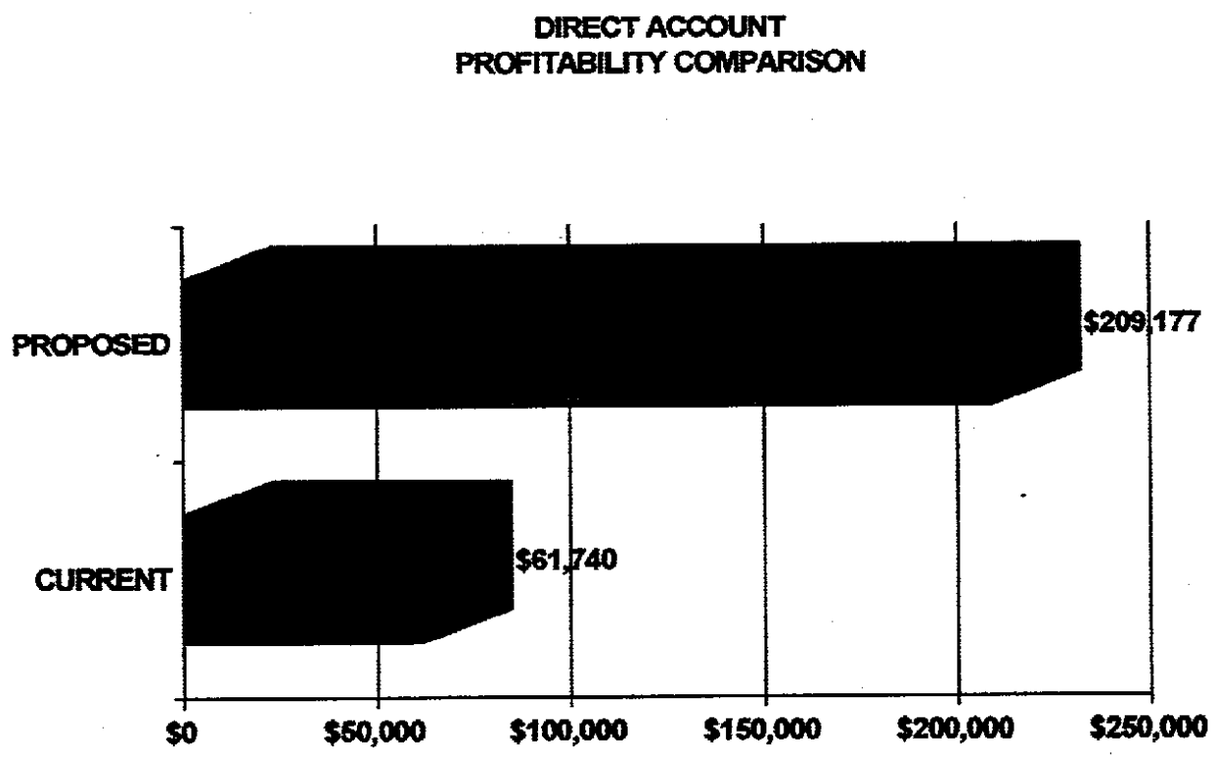


51856 0963

Source: https://www.industrydocuments.ucsf.edu/docs/pkhn0000

SCENARIO "E"

STEWART'S CONVERTS TO PLAN A + ADD RJR P/L
ALL RJR SOM GOALS "MAXED"



51856 0964

Source: https://www.industrydocuments.ucsf.edu/docs/pkhn0000

Direct Account Profit Analysis Worksheet

STEWART'S MARKETING	Current Full Price	Current Savings	Current Priv Label	Current Totals
Current Scenario (Base Numbers) :				
Carton Volume	971,640	199,920	242,160	1,413,720
Price Tier Mix %	68.7%	14.1%	17.1%	100.0%
Carton Selling Price	$11.14	$8.52	$6.12	$9.91
Carton Cost (Dead Net)	$10.77	$8.17	$5.37	$9.48
Gross Margin Dollars / Ctn.	$0.37	$0.35	$0.75	$0.43
Total Gross Margin Dollars	$359,507	$69,972	$181,620	$611,099
Gross Margin %	3.3%	4.1%	12.3%	4.4%
Industry Earnings Total Pay $ Est.				$61,740
Industry Earnings Pay ($ per Ctn.)				$0.04
Net Profit $				$672,839

Scenario A : Maintain Plan 'B' Report., Inc. RJR SOM+1.0	Proposed Full Price	Proposed Savings	Proposed Priv Label	Proposed Totals
Carton Volume	971,640	199,920	242,160	1,413,720
Price Tier Mix %	68.7%	14.1%	17.1%	100.0%
Carton Selling Price	$11.14	$8.52	$6.12	$9.91
Carton Cost (Dead Net)	$10.77	$8.17	$5.37	$9.48
Gross Margin Dollars / Ctn.	$0.37	$0.35	$0.75	$0.43
Total Gross Margin Dollars	$359,507	$69,972	$181,620	$611,099
Gross Margin %	3.3%	4.1%	12.3%	4.4%
Industry Earnings Total Pay $ Est.				$63,578
Industry Earnings Pay ($ per Ctn.)				$0.04
Net Profit $				$674,677

Scenario B : Main. Plab'B' Reporting + Add RJR P/L	Proposed Full Price	Proposed Savings	Proposed Priv Label	Proposed Totals
Carton Volume	971,640	199,920	242,160	1,413,720
Price Tier Mix %	68.7%	14.1%	17.1%	100.0%
Carton Selling Price	$11.14	$8.52	$6.12	$9.91
Carton Cost (Dead Net)	$10.77	$8.17	$5.37	$9.48
Gross Margin Dollars / Ctn.	$0.37	$0.35	$0.75	$0.43
Total Gross Margin Dollars	$359,507	$69,972	$181,620	$611,099
Gross Margin %	3.3%	4.1%	12.3%	4.4%
Industry Earnings Total Pay $ Est.				$82,951
Industry Earnings Pay ($ per Ctn.)				$0.06
Net Profit $				$694,050

51856 0965

Source: https://www.industrydocuments.ucsf.edu/docs/pkhn0000

STEWART'S MARKETING

Scenario C: Convert to RJR Plan'A'; meet nat. objectives	Proposed Full Price	Proposed Savings	Proposed Priv Label	Other Low-End	Proposed Totals
Carton Volume	971,640	199,920	242,160		1,413,720
Price Tier Mix %	68.7%	14.1%	17.1%		100.0%
Carton Selling Price	$11.14	$8.52	$6.12	$5.75	$9.91
Carton Cost (Dead Net)	$10.77	$8.17	$5.37	$4.75	$9.48
Gross Margin Dollars / Ctn.	$0.37	$0.35	$0.75	$1.00	$0.43
Total Gross Margin Dollars	$359,507	$69,972	$181,620		$611,099
Gross Margin %	3.3%	4.1%	12.3%	#DIV/0!	4.4%
Industry Earnings Total Pay $ Est.					$80,290
Industry Earnings Pay ($ per Ctn.)					$0.06
Net Profit $					$691,389

Scenario D: Conv. to Plan 'A'; add RJR Private Label	Proposed Full Price	Proposed Savings	Proposed Priv Label	Other Low-End	Proposed Totals
Carton Volume	971,640	199,920	242,160		1,413,720
Price Tier Mix %	68.7%	14.1%	17.1%		100.0%
Carton Selling Price	$11.14	$8.52	$6.12	$5.75	$9.91
Carton Cost (Dead Net)	$10.77	$8.17	$5.37	$4.75	$9.48
Gross Margin Dollars / Ctn.	$0.37	$0.35	$0.75	$1.00	$0.43
Total Gross Margin Dollars	$359,507	$69,972	$181,620		$611,099
Gross Margin %	3.3%	4.1%	12.3%	#DIV/0!	4.4%
Industry Earnings Total Pay $ Est.					$114,192
Industry Earnings Pay ($ per Ctn.)					$0.08
Net Profit $					$725,291

Scenario E: Conv. to Plan 'A'; max. all RJR SOM goals	Proposed Full Price	Proposed Savings	Proposed Priv Label	Other Low-End	Proposed Totals
Carton Volume	971,640	199,920	242,160		1,413,720
Price Tier Mix %	68.7%	14.1%	17.1%		100.0%
Carton Selling Price	$11.14	$8.52	$6.12	$5.75	$9.91
Carton Cost (Dead Net)	$10.77	$8.17	$5.37	$4.75	$9.48
Gross Margin Dollars / Ctn.	$0.37	$0.35	$0.75	$1.00	$0.43
Total Gross Margin Dollars	$359,507	$69,972	$181,620		$611,099
Gross Margin %	3.3%	4.1%	12.3%	#DIV/0!	4.4%
Industry Earnings Total Pay $ Est.					$209,177
Industry Earnings Pay ($ per Ctn.)					$0.15
Net Profit $					$820,276

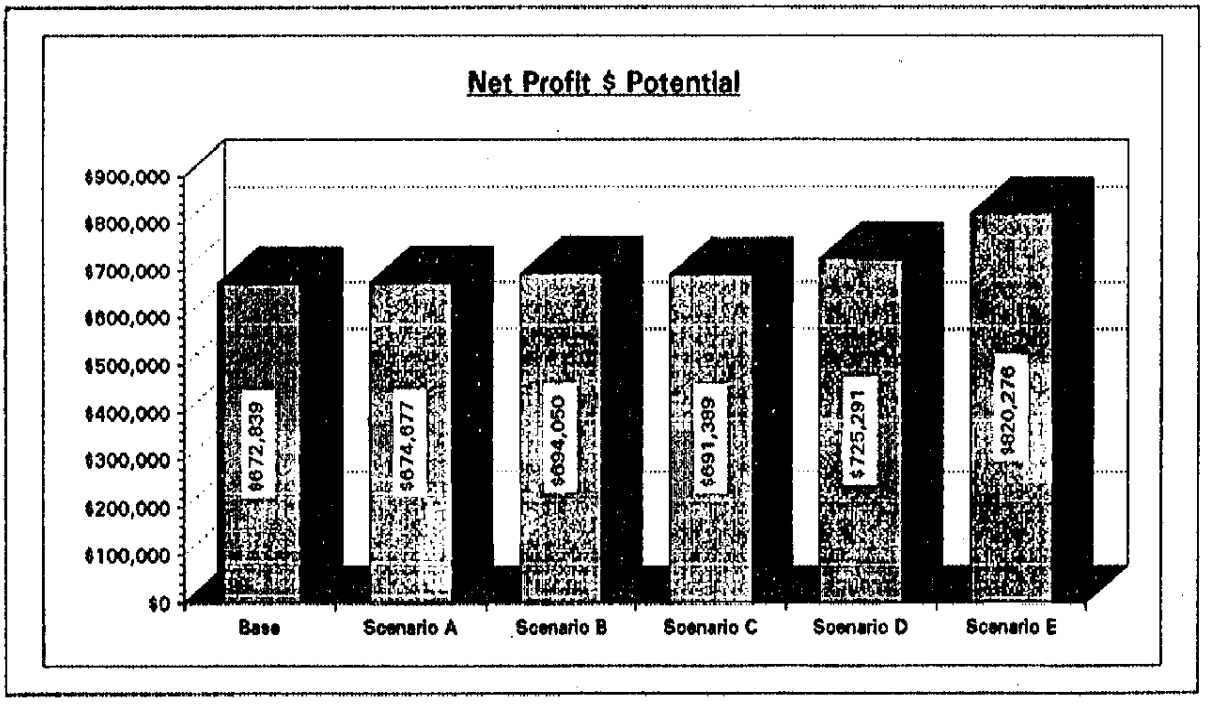
51856 0966

Source: https://www.industrydocuments.ucsf.edu/docs/pkhn0000

Legend of What-If Scenarios

Scenario Descriptions :	RJR $/Ctn.
CURRENT : RJR Base Plan = Flat scenario based on current volume & share	$0.08
A : Hit Objectives: RJR SOM Increase of 1.0% (maintain Plan B)	$0.13
B : Hit Objectives: RJR SOM Increase of 1.0% (maintain Plan B), replace P/L	$0.13
C. Convert to Plan "A" Reporting; achieve RJR National SOM Goals (Select +.2, Camel +.4, Doral +.5)	$0.19
D : Convert to Plan A (same as above) but also add RJR P/L	$0.19
E : Convert to Plan 'A'; however "max" all RJR National Goals: Camel +2.8;Sel.+2.8 Doral +.5; Full Price Share +2.8%	$0.44

Note : Scenarios represent annualized numbers based on actual shipment history (past 3 months).



© RJRT March 1995

51856 0967

Source: https://www.industrydocuments.ucsf.edu/docs/pkhn0000